<u>REMARKS</u>

In response to the Office Action dated July 31, 2007, Applicant respectfully requests reconsideration.

<u>Claim Rejections – 35 USC §103</u>

Claims 78-86 and 90 stand rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 6,021,397 (Jones) and U.S. Patent No. 5,729,700 (Melnikoff). Applicant respectfully asserts that these claims are patentable over Jones and Melnikoff.

Regarding claims 78 and 90, neither Jones nor Melnikoff, alone or in combination, teach, disclose or suggest an investment guidance system for providing financial planning assistance, including means for determining a normalized value for each of two or more criteria, means for receiving a relative weight of importance for the two or more criteria based on a user's personal investment preference, and means for determining a rating for an asset based on the normalized value and the relative weight assigned to the two or more criteria. Jones discusses a financial advisory system which includes a portfolio optimization module to calculate a utility maximizing set of financial products under a set of constraints defined by a user and an available feasible investment set (Col. 10, ll. 54-57). Melnikoff discusses an apparatus for evaluating investment portfolios based on the risk and risk-adjusted return of investments (Col. 1, ll. 10-12). The Examiner asserts that Melnikoff provides a portfolio selector that performs relative weights of an asset or set of assets based upon two criteria and executes trades (see 7/31/07 Office Action, pgs. 3-4). The Examiner acknowledges that Jones fails to disclose means for receiving a relative weight of importance for two or more criteria based on the user's personal investment preferences, and means for determining a rating for each asset based on the relative weights assigned to the two or more criteria, but infers that it would have been obvious for an artisan to modify the optimization module of Jones based on Melnikoff to provide weight assets representing investor criteria. (see 7/31/07 Office Action, pg. 3). Applicant respectfully disagrees with the Examiner's conclusion.

Melnikoff discusses computing an average relative performance of a portfolio by first forming a weighted sum of the asset value data, wherein the weights correspond to the relative proportions of the assets in the portfolio (Col. 6, ll. 19-23). A risk adjusted return is also computed by performing a weighted subtraction based on the investor's loss-to-gain aversion weight (Col. 9, ll. 23-30). Melnikoff explains, however, that these methods are appropriate only

for an investment that is not subject to tax (Col. 16, ll. 19-23). For taxable investors, the fund data must be replaced by tax adjusted data (Col. 16, ll. 23-26). Thus, Melnikoff cannot rank assets in a portfolio based on criteria (i.e., risk aversion and tax efficiency) without replacing the model data. That is, Melnikoff teaches away from normalizing the asset data. In contrast, specification of the present application indicates:

> "According to the embodiment depicted, the mutual fund criteria include tax efficiency, consistent returns, stock/bond picking ability, low risk, consistent investment style and low fees. However, this list is not exhaustive and additional fund criteria may be specified. The user can apply relative weights to each of the mutual fund criteria by utilizing the slider bars which range from unimportant to important."
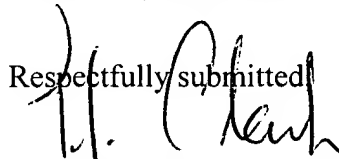
(Specification, page 36, ll. 6-10, see also FIG. 6)

Accordingly, claims 78 and 90 include means for determining a normalized value for each of two or more criteria, means for receiving a relative weight of importance for the two or more criteria based on the user's personal investment preferences, means for determining a rating for each asset based on the normalized values and the relative weights assigned to the two or more criteria, and means for ranking plurality of said assets based on said rating. For at least these reasons independent claims 78 and 90, and claims 79-86 which depend directly from claim 78, are patentable over Jones and Melnikoff.

Based on the foregoing, this application is believed to be in allowable condition, and a notice to that effect is respectfully requested. If there are any questions regarding these amendments and remarks, the Examiner is encouraged to contact the undersigned at the telephone number provided below.

The Commissioner is hereby authorized to charge any fees that may be due, or credit any overpayment of same, to Deposit Account No. 50-0311, Reference No. 29240-001.

Respectfully submitted,

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